

HORIZON OIL LIMITED

ABN 51 009 799 455

FY 2011 Financial Results 25 August 2011



This presentation contains some references to forward looking assumptions, representations, estimates and outcomes. These are uncertain by the nature of the business and no assurance can be given by Horizon Oil Limited that its expectations, estimates and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

Key Results



Operational

- § Stanley-2 and Stanley-4 appraisal wells in PRL 4, Papua New Guinea drilled with favourable preliminary results; development planning underway; legal proceedings over PRL 5 settled with new licence issued, designated PRL 21.
- § Overall Development Plan for WZ6-12 and WZ12-8W fields, Beibu Gulf offshore China, approved by CNOOC; Final Investment Decision approved by joint venture; acquisition of Petsec's 12.25%/25% interest in Block 22/12 completed.
- § Maari field, offshore New Zealand, successful workover of shut-in wells; Manaia well tied into platform; upside zones being appraised.
- § New 3D and 2D seismic recorded over block PEP 51313, offshore New Zealand, with encouraging, preliminary results.

Financial

- § Net production from Maari field of 576,368 barrels of oil.
- § Net sales volume 600,942 barrels of oil, generating revenue of US\$59.4 million.
- § Net cash from operating activities (excl G&A) of US\$48.9 million.
- § Remaining bank debt of US\$22.0 million fully repaid during the year.
- § Exploration and development capital program of US\$76.5 million executed.
- § Profit after tax of US\$34.9 million.
- § US\$80 million convertible bond issued to finance Block 22/12 acquisition and associated development expenditure.
- § Cash on hand at 30 June 2011 of US\$64.6 million.

Profit and Loss



	12 Months to June 2011 (US\$million)	12 Months to June 2010 (US\$million)
Sales Revenue	59.4	48.0
Gross Profit on Oil Sales	39.7	33.0
Profit from Sale of Assets	22.0	32.6
EBITDAX	62.2	72.2
EBIT	51.3	59.9
Profit before Tax	48.5	56.7
Net Profit / (Loss) after Tax	34.9	52.3
<i>Adjusted for significant items including convertible bond revaluation (US\$3.4m) and profit from sale of assets (US\$22.0m):-</i>		
Adjusted EBITDAX	43.5	39.6
Adjusted Profit before Tax	29.9	24.1
Adjusted Net Profit after Tax	16.3	19.7

Cash Flow



	12 Months to June 2011 (US\$million)	12 Months to June 2010 (US\$million)
Opening Cash	26.5	10.0
Net Cash from Operating Activities (excl G&A)	48.9	38.7
General & Administrative Expenditure	(7.2)	(5.5)
Net Proceeds from Convertible Bond Issuance	77.6	-
Repayment of Bank Loans	(22.0)	(23.8)
Repayment of Finance Lease on FPSO <i>Raroa</i>	(5.3)	(5.0)
Net Proceeds from Share Issues	0.6	0.3
Investment Activities		
Development Expenditure	(41.4)	(7.8)
Exploration Expenditure	(35.1)	(18.0)
Proceeds from Sale of PNG Assets	22.0	30.0
Drawdown of Carry from PNG Sale	0.6	7.4
Other	(0.6)	0.2
Closing Cash	64.6	26.5

- § Optimisation of water injection and oil production at Maari field; design of development program to produce Greater Maari Area accumulations.
- § Processing of new seismic data over PEP 51313, offshore New Zealand and integration with existing coverage; selection of target for drilling in 2012.
- § Continue detailed design, materials procurement and construction on WZ6-12 and WZ12-8W oil fields, Beibu Gulf; complete feasibility study for development of WZ12-8E oil field; evaluate exploration prospects for drilling during field development drilling campaign.
- § Finalise Stanley FEED study, secure Petroleum Development Licence and begin development work on PRL 4, Papua New Guinea; commence Elevala / Ketu fields appraisal / development drilling campaign in PRL 21, Papua New Guinea.